

## Taxes.

BY HON. S. S. CASSIDY.

All intelligent men are agreed that whilst human society exists there must be laws, for the ends of justice, and men to execute them, and taxes, to be paid, by all protected, to support those who administer them, according to the protection each one receives, for person or property.

This for persons implies an equal tax on all known as a poll tax. On property it is assessed upon each, according to the amount of property he has, but the same to all on each dollar. The man who has \$100 at one per cent. pays 1.00 cents and the man with \$1,000 pays 10.00 cents.

This is equal taxation, and just, and any construction of law or law which distributes this equity is unjust, and unconstitutional for the constitution says, "each one shall pay his proper proportion," which is interpreted to mean and no doubt does, the same rate. If it is construed—so that one directly or indirectly pays double, it is more than his proportion.

To attain equity in taxation is exceedingly difficult, for the subject itself is not fully understood and the language of the laws are not clear and are liable to misconstruction.

If a tax is one per cent. and two per cent. directly or indirectly, is collected upon the same property, it is self-evident from this result, that the law has been misconstrued for in its execution both the law and Constitution have been violated, for the collection of \$2 when \$1 only is due, violates the law, and equality of the constitution. Double taxation though conceded to be wrong has been extensively practiced, in the United States, particularly in case of mortgages, and the property mortgaged, to secure their payment, and certificates of stock in corporations, and the property of which the certificates of ownership are the evidence. This double taxation occurred here, and gave rise to the new Code of 1882, and the definitions and the laws of 1885 are less liable to this abuse than the old ones, or the new ones proposed to be substituted, and no more liable to evasion.

Massachusetts in 1881 passed an act to remedy this abuse. Our act of 1882 provides for taxing all the persons and all the property in the Kingdom, and these are all that should be taxed, and it is less complicated than the proposed substitute and easier of execution with less liability to abuse. Its definitions are simpler and more easily understood, as well as its precepts. As all definitions will be, the simpler they are, and the nearer the statutory or technical language, comes to that commonly received and used. Land is real estate. It is fixed, stable, structures fixed to it. Machinery fixed to it properly becomes real; detached machinery, lumber, bricks, lime, etc., movable, are generally merchandise, and personal property. They all have intrinsic value. I do not see how a claim to real estate can be made without estate. It cannot become a fixture, it has no intrinsic value. A piece of real estate may have several claimants, and when the validity of one has been settled, it passes to a title, to the ownership, and although this definition is only legal, I cannot think it the simplest, and most easily understood. The present is less liable to misconstruction and abuse as the simpler always are. The law most uniform and equal in its operation always gives the best satisfaction, because it is the most impartial and best, it comes nearest perfection. The law of 1882 is based upon the principle of taxing all the property in the Kingdom to the persons in possession. This covers all which the Government can constitutionally call for. See Article 14.

It is important that the assessment be judiciously made, that a fair and just valuation be given to property, and to this end intelligent and upright assessors are required, men who can give an intelligent judgment of the value of property, and understand the relations which its value bears, to its earnings. If such assessors cannot be had, then a Board of Equalization as suggested by Mr. Richardson, if the proper men can be had, should be formed as a court of appeal, on values, and which cannot be correctly estimated without a knowledge of the relations which they bear to their earnings.

If all the persons in the Kingdom are assessed and all of the property in their proportion, then all will have been assessed upon which the Government can have any claim, and any further assessment would be a wrong to the individual, and the Government's rights are measured by the amount required for an economical administration.

Neither mortgages, notes, or accounts are property but in general they are the evidence of what one individual may owe to another, and how much the debtors property in possession, may have to be transferred to the creditor, in payment. The transfer will not change the amount, only the possession, and whether this be in the debtor or the creditor the Government gets its full due. To illustrate: A and B are each worth \$10,000. A, which each one is assessed to-day—\$20,000. It is all they are worth. To-morrow A borrows \$5,000 of B for which he gives his note. The assessor calls and now A has \$15,000 and B \$5,000 and A's note for \$5,000—\$20,000 if the note is money, but the money remains \$20,000, as the possession only has changed, and B holds A's note to show his claim upon \$5,000 of the \$15,000 in A's possession. Under the present law the whole of the persons and the property are assessed over. Under the old law much of the property was assessed twice, that is the notes and mortgages as personal property to the creditor, and also the property in possession of the debtor which gave them value. If counted and taxed as his property, then they should be deducted from the amount returned by the debtor and not taxed to both. In the Massachusetts Act either party may pay but not both, the debtor is expected to pay, and collect of the creditor, as in our law. The decrease in personal property, in Honolulu from 1882 to the first year under the new law was to be expected. It should have been as it was. The whole of the mortgages, notes, and personal creditor accounts were returned as personal property before and nearly all in the Kingdom were held in Honolulu, and would not now be returned, but, until within a few years, the tax-payers had been instructed to faithfully return all property and then to deduct from it all of their debts due within the Kingdom. This gave the net value of their whole property with the debts due out of the Kingdom added, and was the amount taxed. The result was the same as the present law would be, if faithfully carried out, and that probably would have remained unchanged had not the practice of double taxation in taxing mortgages, notes, and accounts, and also, the property in the debtors hands, which gave them value, commenced and been growing instead of the old and only system hitherto known.

The value of premises fixed at eight annual rentals, for taxation seemed to me a definite and good method to arrive at at a fair and just valuation of the major part of this class of property. It represents capital property, as earning 12 1/2 per cent. which is not unreasonable in a country where the legal rate of interest is 9 per cent. and till within a few years 12 per cent. especially upon wooden dwellings where insurance, taxes, repairs and depreciation must reduce the earnings to less than the legal rate where capital earns 9 and remains unimpaired. This does not apply where rental is only nominal. I should not think it wise at this time to increase the taxes by advancing the valuation of this class of property from eight to ten yearly rentals the equivalent of 25 per cent. added to the tax assessed on this class of property. Our law calls for the full value of property for assessment, whilst the average of property valued for assessment in the 38 United States is only 40.00 per cent., or for every \$100 of full value \$40 only is taxed which comparatively makes our tax 2 1/2 times higher than it appears to be. Massachusetts pays 4 1/2-100 cents and Nevada, which is the highest, 38 21-100 cents on \$100 of full value. Seven States pay from 19 39-100 to 24 59-100; fourteen States from 9 99 to 18 99, and twelve States from 3 50 to 9 54 on each \$100 of full value. This is for State purposes not including taxation for local purposes. Our property tax is 75 cents on each \$100, and to me it seems undesirable to increase it, either directly or indirectly. It is not a time of general prosperity. Sugar, the staple of the country, was never so low throughout the world, whilst the cost of production has greatly increased wages both of skilled and unskilled labor, and of government officers of all grades have largely advanced for a few years past. The marvelous yields of our fields have helped to offset the depression in prices and meet this unusual state of things, but notwithstanding there have been many failures, and the future of the crops and the markets is all uncertain. There have been many expenses which perhaps would have been well enough, with abundant means but which have not been necessities for the state, or the individual, and can be dispensed with without loss, and to do so in the future, until returning prosperity justifies them would be preferable to any advance in taxation. If any change can be made in the laws, which will add to their simplicity, and aid in their faithful and just execution all good men will welcome it. The payment of tax on personal property of just dues to the Government, good men will not try to evade, the double payment is both unjust and unconstitutional, and the authorities should be careful and not require it, but a tax on all the persons in the Kingdom and all of their property in their possession

in the Kingdom which includes all that the Government can claim should be collected and faithfully and economically disbursed according to law. The King's message commanding economy, commencing with himself is worthy of all praise, and it is to be hoped that its precept may influence both the public and private life of the nation.

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**MARBLE WORK OF EVERY DESCRIPTION**  
MADE TO ORDER

**AT THE LOWEST POSSIBLE RATES.**

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Orders from the other Islands promptly attended to.  
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## FIRE-PROOF SAFE!

Stood the test of 65 Hours expos-  
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Is the Only Eight-Flange Safe made  
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Contains more improvements than any Safe ever made,  
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**A Large Stock Constantly  
on Hand!**

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## DEALERS IN

## Pure Drugs, Chemicals,

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J. C. Ayer &amp; Co.'s Preparations,

Boschee's German Syrup,

Green's August Flower,

Horsford's Acid Phosphate,

Fellow's Syrup,

Warner's Safe Cure,

Kennedy's Discovery, Hop  
Bitters, St. Jacob's Oil,

Barry's Tricopherous,

Burnett's Cocoaine,

Vaseline Preparations,

Colgate's Toilet Soaps,

Ricksecker's Skin Soap,

Hoyt's German Cologne,

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## SPONGES: TOILET, BATH AND CARRIAGE!

BUHACH, the Great Insect Destroyer.

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1112 3m Etc., Etc., Etc.

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New Goods! New Goods!

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Gloves, Mitts, Etc., Etc

Also a Complete Line of

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The MILLINERY DEPARTMENT is entirely restocked with Latest Styles

## LADIES' &amp; CHILDREN'S HATS, TRIMMED AND UNTRIMMED

Latest Novelties in Fancy Feathers, Plumes, Tips, Etc. Native Straw

Sewed in all Shapes.

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From the beginning, the Equitable has been the pioneer in all reforms affecting the security, convenience, and advantage of policyholders. It was the first company to issue incontestable policies; the first to make such policies payable immediately, instead of after the delay of a stipulated number of months; the first to simplify the policy contract, and remove from the business technical and confusing complications; the first to apply the Tontine principle to life assurance; the first to issue a policy guaranteeing the payment of the entire reserve and a full share of the accumulated profits to each policyholder at the end of a stipulated period; the first to introduce the Semi-Tontine policy, which, in addition to all the ultimate advantages secured under the Tontine system, is "non-forfeiting," and has a surrender value during its earlier years.

During the twenty-six years and a half of its history, it has written \$105,000,000 more of assurance than any other company during the same period!

No other company has approached the Equitable in the success achieved and surplus accumulated, and the results of management in the past furnish the best guarantee for the future, to intending assurers.

Assets, January 1, 1886.....	\$ 66,553,387 50
Liabilities, 4 per cent. valuation.....	52,691,148 37
Surplus.....	\$ 13,862,239 13
(Surplus on N. Y. Standard 4 1/2 per cent. interest, \$ 17,495,329 40.)	
New Assurance in 1885.....	\$ 96,011,378 00
Outstanding Assurance.....	357,338,246 00
Total Paid Policyholders in 1885.....	7,138,689 05
Paid Policyholders since organization.....	88,211,175 63
Income.....	16,590,053 13

Insurance issued on all approved plans.

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General Agent for Hawaiian Isl.

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Or FAMILIES. Orders Filled at Shortest Notice and with Satis-  
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## Improved Paris PLOW

THE ONLY GENUINE PARIS PLOW, MADE OF POLISHED CAST STEEL, and Guaranteed  
Equal, if not better, than any Steel Breaking Plow in the Market. Also, other makes of  
Plows on Hand of Moline Plow Co., John Deere & Co., &c. Gang Plows.  
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Snaths, Axe and Pick Mattocks, Pick, Hoe, Adze, O-n, Axe and other handles; Baldwin Feed Cutters,  
Leather Belting, 3 to 12 inch, best quality; India Rubber Hoes, 4, 3, 1, 1 1/4, 1 1/2 and 2 inch; Ox Yokes,  
Ox Bows, Axles, for horse and mule carts; Portable Forges, Eagle Anvils, Canal Barrows,  
Soapstone and Asbestos Steam Packing, Best Flat India Rubber Steam Packing, 3/4 to 1 1/2 inch;  
Rabbit Metal, Lace Leather and Lacings, India Rubber Steam Packing, round and square, all sizes;  
Asbestos Boiler Covering and Steam Pipe do., Machinery Oils: lard, castor and cylinder; Neat's Foot Oil.

## DISSTON'S CELEBRATED SAWS AND FILES, ALL SIZES;

Spear & Jackson's and Stubb's Files, Hammers for Carpenters, Machinists, Blacksmiths & Horseshoers.  
Cut and Wrought Nails, all sizes; Horse and Mule Shoe Nails, Galv Nails, Cut Spikes, Horse & Mule Sho

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Blake Manufacturing Co's Steam Feed, Irrigating and Vacuum Pumps, Weston's Patent Centrifugals  
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## STAPLE DRY GOODS

Denims, 8 and 9 oz; Tickings, A C A; D and D Bleached and Unbleached Cottons, Russia Diaper,  
Brown and Bleached Drills, Linen Sheetings, Mosquito Lace Net, Blue and Scarlet Flannel,  
A Fine Assortment of White Flannels. Also,

## STAPLE GROCERIES, Golden Gate, Star &amp; Superfine Flour

Columbia River Salmon, Bayo Beans. Also, California Lime, Portland and Hydraulic Cement.

## For Kerosene Oil We Offer THE PALACE, and Guarantee

it cannot be beat for quality or price; also, THE

VULCAN, a good oil and above test:

## WOODWARD &amp; BROWN'S CELEBRATED PIANOS

The Cheapest Good Piano: New Haven Organ Co.'s Parlor Organs

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We can confidently Offer THIS Whiskey as

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